

**AGENDA ITEM 3b
INTERNAL AUDIT SUMMARIES
AS OF MARCH 31, 2011**

Internal Audit Summaries for Second Quarter of 2010-11

Review of the Cashiering Unit

- **Why Office of Audit Services Performed this Review**

The primary objective of our review was to assess the controls over the cash receipt process within the Fiscal Services Division.

- **Office of Audit Services Recommendations**

- Cashiering Unit develop a check delivery policy with the Regional Offices similar to the policy that exists for OSSD check delivery and including a requirement that all check logs contain Regional Offices staff's signatures.
- Fiscal Services Division (Fiscal Services) enhance written procedures to indicate the preparer and reviewer of the reports that support the performance measurement reports.
- Fiscal Services clarify the metrics for cash receipt deposits on the performance reports.
- Cashiering Unit ensure the Cashiering and Regional Offices staff consistently sign off on check logs.
- Cashiering staff adhere to the new procedures for endorsement stamps and endorsed checks, and management periodically confirms the process is followed.

- **Management's Response and Action Plan to Strengthen Controls**

Management concurs and has implemented steps to address the audit findings and recommendations. The Office of Audit Services evaluated the corrective actions taken by the Cashiering Unit and validated that management has appropriately resolved all the issues identified in the report. Management's detail response is included as an appendix in the report.

- **Positive Controls Noted**

Policies and procedures exist to guide staff in the cashiering process for collecting, safeguarding, depositing, and recording cash receipts. In addition, cash receipt duties are clearly defined and adequately separated. Based on our review, cash receipt transactions were accurately recorded in the accounting records. Fiscal Services staff also reconciles subsidiary records with the control accounts and bank statements. Further, performance goals for processing cash receipts are accurately calculated.